

TAB

EEO 79-333
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MEMORANDUM FOR: Director of Personnel

FROM : Omega J. C. Ware, Jr.
Director, Equal Employment Opportunity

SUBJECT : The Organization, Position and Structure
of the Personnel Management of Central
Intelligence Agency

1. Following are my comments on the two major options which have emerged from deliberations of "Tab D" of the NAPA Project Group Report. Essentially, these options center on a decision as to whether to move the functions of the Office of Personnel either in part or in its entirety from the Directorate of Administration to an autonomous position directly subordinate to the DCI-DDCI and make it an element of what is now the E Career Service. Executive Committee members were required to provide comments -- "pros and cons" -- on Options "B" and "B-prime". It is my opinion that "listing pros and cons" is not the most useful means of addressing the problem.

Following therefore are my opinions addressing the goals and objectives that change would hope to accomplish, and which assesses the costs of that change to the Agency:

GOAL:

TO ACHIEVE MAXIMUM EFFICIENCY, EFFECTIVENESS
AND CONTROL OF THE ACQUISITION, DEVELOPMENT AND
UTILIZATION OF HUMAN RESOURCES AVAILABLE TO THE
CENTRAL INTELLIGENCE AGENCY.

All changes or alterations in current policy and organization must be designed to achieve this goal. It is the opinion of the DEEO that this goal can most effectively be achieved by repositioning what is now the "Office of Personnel" as a separate, autonomous entity under the direct supervision and control of the DCI-DDCI. In short, this office strongly supports the adaptation of the option referred to at the subject Executive Committee meeting as "B-prime". This option is perceived as the most practical means currently available to achieve the objectives necessary to accomplish the human resources goal stated above. These objectives clearly include, but are not limited to the following:

OBJECTIVES

"One Agency". No subject has been longer discussed and debated within CIA than the true meaning of the concept of "one Agency." There are obvious advantages and disadvantages to the centralization of different kinds of control within the Agency. Generally, it seems clear that many operational activities must remain decentralized for the flexibility necessary to the missions and roles of the Agency. However, properly centralized human resource management is vital to overall efficiency and cost effectiveness. It would appear that the movement of the human resources management elements of the Agency under the DCI would provide and clearly signal the determination of this Agency to be one in attitude, one in cooperation, one in the utilization of human resources, and one in leadership. At the same time, good leadership can secure and support those differences and distinctions of Directorates and components that are vital to their morale, culture and operation.

Management Control - Any change made in the organization, structure or positioning of the human resource management elements of the CIA must clearly be focused on improving management control of this, the most important of the Agency's resources. At present, it appears that effective control of the acquisition, utilization and development of human resources is beyond the scope of the tools currently in the hands of the DCI-DDCI. It should be emphasized at the outset however, that providing for greater control by senior Agency managers does not automatically reduce the control, authority and power necessary to the efficient functioning of deputy directors, and lower-level managers. The objective therefore to be accomplished by any change is to enhance the necessary control of managers at all levels. This objective can be achieved by the acceptance of option "B-prime" with some retitling, restructuring and repositioning of the current Office of Personnel and a few other related Agency elements.

Repositioning the personnel management entity of the Agency to the direct subordination of the DCI-DDCI will, for the first time, organizationally provide those officers not only with the means to effect the utilization of human resources but also direct control of the tools. If nothing else, such a change would provide the DCI-DDCI with one senior Agency officer responsible for the execution of DCI personnel policy to be held accountable for the quality and practice of human resources management throughout the Agency.

Long-Term Human Resources Management Planning.

It is the view of the DEEO that one area in which the Agency is weak is that of effective long-term planning to meet human resources needs. Technological advances in any area are well understood to develop from long-term planning, development and implementation. This is particularly true in this Agency which is highly dependent upon the timely introduction of new technologies for varied missions and roles. Lacking in the Agency's history has been comparable, timely, long-term planning for the acquisition, development and utilization of the human resources necessary to the effective employment and maintenance of the technical resources. It is unacceptable that five to ten or more years may be spent in the development of a technical system while rarely has our history reflected comparable long-term, methodical planning to develop the supporting human element of the system. As an example, the morale problems of one such key facility of an Agency high technology system are well known. Such problems could have been avoided had sufficient, expert, imaginative, long-term planning been devoted to the human components of that system.

No central body exists within the Agency to ensure that human factor, and organizational development planning for such systems is initiated with enough lead time and expertise to minimize the problems with which this subject system currently suffers. The failure to accomplish such long-term, people-related planning is unwarranted and at current costs, unacceptable.

Short-Term Planning. All factors affecting human resources cannot be foreseen or planned on a long-term basis. No central expert facility efficiently surveys on an Agency-wide basis the plans and activities to assess and resolve the short-term, major, people-related problems that occur with little lead-time. No expert entity currently assures the integrated planning and resolution of these problems which may be equal in impact to long-term human resource needs.

Centralize Hiring and Recruiting. The re-subordination of the Agency's personnel management structure in the opinion of this office, would greatly contribute to the achievement of the above goal by centralizing the processes of recruiting and hiring. In response to specific Directorate and component requests for human resources, acquired internally or externally, a centralized Office of Human Resources Management could more effectively maintain a more sophisticated acquisition/recruiting mechanism than is currently the case. Further, the examination and hiring process should be centralized to save

Directorates and components the time spent in the early steps of applicant and candidate sorting. Instead, a central personnel entity should supply components with a given number of candidates, all totally equipped and prepared from which the hiring component would fill its need. The advantages of such a procedure would save much of the time of hiring components and provide for greater objectivity in selection.

An extension of this capability would also enhance managerial freedom to effectively and fairly utilize the three-year probationary period for new employees. Specifically, if after having made a selection and employed a new employee a component determines that the selection was neither to the advantage of the component, the Agency or the employee selected, then the component would have only to contact the "Office of Human Resources Management, to request that the current employee be withdrawn and replaced by a new qualified employee. The disposition of the returned employee would rest with the "Office of Human Resources Management." The options available would be to remove the employee from the Agency during the probationary period or to place the employee whose skills and qualities are now better known in a position more appropriate to the person's talents.

Affirmative Action. A centralized acquisition and placement process within the Agency could assure to the Agency head that affirmative action requirements are being effectively and efficiently satisfied in the best interests of the Agency. In short, following current guidance, a centralized provision of qualified applicants could assure that units or components with unjustified under-representation would make new selections from those elements of the societal pool which would best satisfy Agency needs. The quality of the applicant would always be the same. The mix of the applicants offered would be centrally controlled to satisfy the Agency's legal and moral obligations.

Morale and Employee Attitude. While there are many excellent managers in the Agency, clearly devoted to the equitable and effective acquisition, development and utilization of human resources, there remain many managers not capable of achieving this end. It is the latter that have attracted most employee attention and concern over the years. The change in organization, in my judgement, would clearly signal to all employees that senior Agency management accepts full responsibility for the leadership and control of employee utilization and development. Subsequent exercise of

this authority, if done properly, will further convince employees that some of their most serious concerns, real and imagined, will no longer be warranted. I believe that the proposed change, and the attendant improvement in employee morale and employee attitudes toward the quality of personnel management in the Agency would be significant.

FUST. The acronym FUST stands for the Full Utilization of Skills and Training. Many capable and dedicated managers within the Agency exert herculean efforts to assure the full and effective Agency utilization of personnel under their control. They are not the majority. I believe that assuring the effective and equitable utilization of all Agency talent can best be achieved, managed and coordinated centrally. There is no justification for not having a process that assures that each vacancy in the Agency is filled with the best possible employee. It must be irrelevant that the best possible employee is not in the same Directorate where the vacancy occurs or whether that "best" employee is acquired internally or from sources external to the Agency. Assuring this objectivity and flexibility does not reduce management authorities, responsibility or capability, at any level, but provides the expertise and support which the manager must have to maintain a winning team with which to pursue objectives.

Included also under this objective is concern for the career development and career management of each employee. Here again, the role of the immediate supervisor or manager is in no way diminished. However, the ability and determination to monitor and control the career development of all employees and the enforcement of Agency policy with regard to the development of all employees, particularly future leaders, can best be assured by placing the expertise, monitoring and enforcement means directly subordinate to the DCI to make most effective use of his authority and direct line of command.

Training. As part of long-range personnel planning, an office under the DCI for human resource management could, for example, identify for the Office of Training the Agency training needs to be satisfied to meet short and long-term needs. The Office of Training needs to know now that in 1990 this Agency will need to train more of one kind of expert than another. Training can thus be prepared and initiated well in advance to assure that the need for a new type of specialist in a given quantity is met by our personnel supply establishment. Currently, the means does not exist to provide regular, comprehensive, long-term guidance to the Office of Training planning.

Societal Relations. People are the main resource of this Agency. People, both aboard and yet to be hired constitute the broad domestic society in which this Agency resides. A central, human resources entity can more effectively assess that society, its makeup and structure, both present and future to determine the impact of the nature of that society on future Agency personnel needs. The Agency must also maintain the proper contacts with elements of that society and develop Agency-community programs to assure the current and future societal support of Agency human resource needs. Certainly, centrally controlled, professional analysis and liaison with "pools of experts" could provide for more efficient and fruitful recruitment programs.

COSTS

In general, the costs of the repositioning of the Agency's human resource management capability fall generally into three general areas, those are: Personnel, Management Control, Finance.

Personnel. To accomplish the goals and objectives cited thus far it is not clear that the repositioning of the personnel management of the Agency directly under the DCI would require appreciably more or less personnel than that responsibility currently uses in the Agency. In the organization and structure suggestions which follow, it is conceivable that some small saving in personnel could be accomplished while doing the job more efficiently than now. These small savings could possibly be accomplished by combining related services of the Agency under this one entity. If actual practice proves that more personnel are required rather than less, the proper question to be asked is: Are the goal and objectives important enough to justify this added cost?

Management Control. It is clear that many will see the subordination of human resources management to the DCI the first step in reducing the necessary powers of command and control now residing in the hands of Deputy Directors and component heads. This is not necessarily true. In many ways, such a structure could enhance management control by reducing management responsibilities for those activities not vital to the enhancement of leadership and not contributing directly to the Directorate or component mission. The leadership and control of the DCI and DDCI would clearly be enhanced and signalled by such a move. There would be no doubt who in the Agency had ultimate and direct control of and responsibility

for human resource development and utilization. This may lead to an additional cost, mainly the cost that such a centralization would place on the time of the DCI and DDCI. However, if it is true that the human resource is the most important resource to manage, then that cost is well justified, whatever it is.

Money. A cursory evaluation of the proposed change, B or B-prime, reveals no substantial difference, up or down, in the money costs of managing personnel.

The E Career Service. Movement of any or all of the current Office of Personnel to direct subordination to the DCI-DDCI would result in an increase in the size of the current "E Career Service." This would increase the responsibility of the DDCI and the current E Career Service structure to manage and support a virtual doubling of the size of that service. There are advantages in that the larger service, properly organized and managed, could provide greater flexibility for the effective utilization of E Career Service personnel. There would be disadvantages in that the larger service would have to be more precisely managed than the current group of small offices. No immediate decision can be offered at this time mainly because the problem is not yet clearly defined. In any case, the cost of solving any such problem seems far overshadowed by the benefits of achieving the goals and objectives stated above.

PROPOSED ORGANIZATION AND STRUCTURE

It is recommended that with the movement of the current Office of Personnel to the subordination of the DCI-DDCI, certain significant changes should be made in the organization and structure of that component. I recommend that: 1) that the title and mission of the Office of Personnel be changed to the Office of Human Resources Management, 2) that the Director of Human Resources Management be ranked with Directorate heads, 3) that the Office of Human Resources Management be subdivided into three major subcomponents: (a) Human Resources Management Operation -- which would include the current personnel support organizations and procedures, insurance, retirement, file maintenance, etc. (b) Human Resources Planning which would include all the policy and enforcement elements of the current Office of Personnel and such additional responsibilities and entities as would be determined necessary by the DCI-DDCI,

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(c) Employee Welfare -- which would include responsibility for introducing and monitoring career development procedures, Upward Mobility, FUST, etc, servicing employee welfare concerns and morale.

2. Obviously this organizational structure outline begs detail not included here. Should such considerations be deemed practical, I would be ready to provide more detailed proposals to resolve the many questions so easily apparent.



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